

# EUROPEAN ECONOMY

COMMISSION OF THE EUROPEAN COMMUNITIES • DIRECTORATE-GENERAL FOR ECONOMIC AND FINANCIAL AFFAIRS

Supplement A — No 10 — October 1983

Economic trends

LIBRARY

*This month:  
Revised economic forecasts  
for 1983 and 1984*

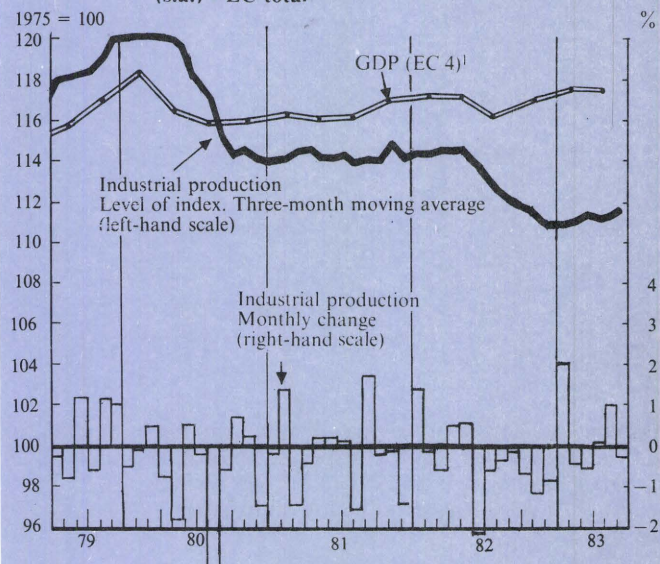
**No growth in the Community's GDP in the second quarter of 1983.** — Estimates based on the quarterly national accounts for the four major Member States show that real gross domestic product in the Community fell at a seasonally adjusted annual rate of 0,2% in the second quarter of 1983, following a rise of 2,1% in the first quarter. The quasi-stagnation of output in the Community as a whole, however, covered rather divergent developments in the individual Member States. German GNP rose at an annual rate of 4,3% or almost 2 points faster than in the previous quarter and in France GDP showed a rise of 2% following a decline of 0,6% in the first quarter. Results were, however, much less favourable in the remaining two countries. Italy recorded a decline of 6,5% following a small rise the quarter before. In the United Kingdom real GDP fell by 6%, the first quarterly decline since the second quarter of 1981 according to the expenditure-based estimate of GDP. However, an alternative official measure showed stability of GDP in this quarter.

**Industrial production weak but unemployment remains unchanged.** — Industrial production in the Community (s.a.) in June fell by 0,2% with large declines recorded for France, Italy, Luxembourg and the Netherlands (Table A.1). Industrial output in the Community in June showed a fall of 0,3% from the level of 12 months earlier. Denmark, Germany, Greece, Ireland, Luxembourg and the United Kingdom recorded increases between 1,2 and 4,5%, while output was down 2% in Belgium and 6,5% in Italy. Despite the still relatively weak trend in output, the rate of unemployment in the Community has remained unchanged since March 1983 with rises in the trend being recorded only in Belgium, Ireland and the Netherlands.

**Stable trend in consumer price increases.** — The index of consumer prices in the Community in August rose by 0,4% following a rise of 0,7% in July; compared to August 1982 the price index showed a rise of 8,2% (Table A.3). The trend of inflation, measured as the seasonally adjusted increase over 6 months, fell slightly for the Community as a whole, but showed some increase in Belgium, Denmark, Germany, Luxembourg, the Netherlands and the United Kingdom.

**Fall in the visible trade deficit.** — The Community's visible trade deficit in June amounted to 1 387 million ECU, down some 500 million from the level estimated for May. The improvement in June of the trade balance of the Community was attributable essentially to a reduction of the trade deficit of France and the United Kingdom. Partial data for June show, in particular, a reduction in the trade surplus of Germany and a more substantial deficit in the United Kingdom.

GRAPH 1: Industrial production and gross domestic product (s.a.) - EC total



<sup>1</sup> France, Germany, Italy and UK: quarterly figures



### Stability of the dollar despite increases in European interest rates.

— The margin between European and US interest rates widened in September: the Community average of short-term interest rates rose to 10,6% while the short-term rate in the US fell from 9,3% in August to 8,2% in September. Nevertheless, the exchange rate of the dollar against the ECU remained unchanged on average for the month of September while the yen rose marginally. The pound sterling was unchanged against the

ECU while the drachma depreciated slightly. Within the exchange rate stabilization arrangement of the European Monetary System, the DM, the HFL and the DKR moved further towards their upper intervention limit against the BFR, the weakest currency in the System during the whole of the month. In the last week of September, the BFR fell below its lower limit according to the 'divergence indicator' of the System.

18 October 1983

## Economic forecasts for 1983 and 1984<sup>1</sup>

The forecasts presented here confirm the slow cyclical recovery in the Community during 1984, which contrasts with much faster economic growth in the US and Japan. The forecasts are based on the assumption that world trade, which is likely to be stagnant this year, will recover in 1984.

The main results of the forecast for the Community as a whole are as follows:

- GDP at constant prices is expected to rise by 0,5 % in 1983 and by 1,5 % in 1984.
- Inflation, as expressed by the rise of the private consumption deflator, will fall to 6,3% in 1983 and 5,6% in 1984.
- GDP at current prices will rise by 6,8% this year and by 6,6% next year.
- The recovery in 1984 will mainly be based on fixed investment and exports.
- Private consumption at constant prices will only grow by about 0,5% in both years.
- Unemployment will continue to rise in annual average terms, but the increase is slowing down; the unemployment rate will be 10,4% for 1983 and 10,9% for 1984.
- The current account turns from deficit in 1983 to balance in 1984.
- The general government deficit will decline next year, falling from 5,4% of GDP this year to 4,7% in 1984.

**GDP in volume.** — Real GDP in the Community is forecast to rise by 0,5% in 1983 and by 1,5% in 1984 (Table 1). The half-yearly profile of growth suggests that output and demand were boosted in the first half of 1983 by special factors and that activity will be less strong in the second half of this year, but the forecast points to a modest recovery during next year, real GDP rising by 2% at annual rates in the second half of 1984 (Table 5). Looking at the performance of individual countries, five among them will probably face a decline in real GDP in 1983, whereas all countries except Luxembourg and the Netherlands are expected to experience positive growth in 1984. Economic growth in France and the Benelux will probably not exceed 0,5% next year; the growth rates of the other countries are forecast to range between 1,2% and 2,2%.

Only Greece and Italy are expected to experience double-digit rates in 1984, but here inflation is also on a downward trend, whilst the inflation rates of all other countries would range between 3,2% (Germany) and 8,8% (Ireland). Overall this suggests a somewhat better convergence of inflation rates in the EC as a whole.

TABLE 1: Gross domestic product, volume (percentage change at constant prices on preceding year, EC countries, EC, USA, Japan, 1971-1984)

	1971-1980	1979	1980	1981	1982	1983 <sup>1</sup>	1984 <sup>1</sup>
B	3,2	2,4	3,0	-1,8	1,0	-0,9	0,6
DK	2,3	3,7	-1,1	0,1	3,4	2,2	1,2
D	2,8	4,1	1,9	0,2	-1,0	0,7	2,1
GR	4,7	3,7	1,6	-0,7	0,0	-0,2	1,5
F	3,6	3,2	1,3	0,2	1,8	-0,3	0,4
IRL	4,1	2,5	2,8	1,1	1,2	0,5	1,8
I	3,1	4,9	3,9	-0,2	-0,3	-0,8	1,5
L	3,1	4,0	1,7	-1,8	-1,1	-2,4	-1,0
NL	3,4	2,1	0,9	-1,2	-1,6	0,3	0,0
UK	1,9	1,6	-2,0	-2,0	1,5	2,8	2,2
EC	2,9	3,3	1,3	-0,4	0,4	0,5	1,5
USA	2,9	2,4	-0,3	2,3	-1,7	3,5	4,3
JAP	4,8	5,1	4,4	3,2	2,9	2,8	3,6

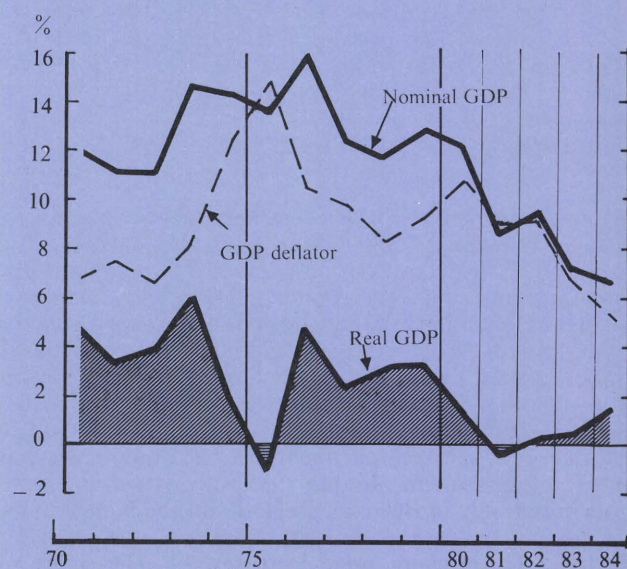
<sup>1</sup> Forecast.

Source: Commission services.

**Inflation.** — The rise of private consumption prices in 1983 for the Community as a whole is expected to be 6,3%, a fall of 2.4 percentage points against 1982. A further decline of 0,75 point to 5,6% is forecast for 1984, the lowest inflation rate since 1970 (Table 2).

GRAPH 2: Nominal GDP, deflator of GDP, real GDP

(percentage change on preceding year, EC, 1970-1984)<sup>1</sup>



<sup>1</sup> 1983: estimate; 1984: forecast.

Source: Commission services.

<sup>1</sup> The following summarizes the Commission's autumn forecasting round for 1983 and 1984. The previous forecast for 1983 and 1984 was summarized in Supplement A, No 6 (June 1983). The cut-off date for information used in the forecast was 5 October.

Both import prices and internal costs have contributed to the fall in inflation since 1980. The rate of increase of the former fell from 15% in 1980 to 4,7% this year, but is expected to pick up next year (6,1%), mainly due to rising raw material prices (Table 4). The annual increase of domestically determined prices as reflected in the deflator of GDP declined from 10,8% in 1980 to 6,3% in 1983 and is likely to continue its downward trend in 1984 (5,1%), when unit labour costs, the main determinant of GDP prices, are seen to rise only by 4,3%.

TABLE 2: Deflator of private consumption (percentage change on preceding year, EC countries, EC, USA, Japan, 1971-1984)

	1971-1980	1979	1980	1981	1982	1983 <sup>1</sup>	1984 <sup>1</sup>
B	7,1	3,8	7,0	8,9	7,4	7,8	6,5
DK	10,2	10,2	11,2	11,8	9,8	6,6	5,4
D	5,2	4,2	5,4	5,6	5,3	3,0	3,2
GR	13,4	17,5	22,2	24,4	21,1	20,5	18,5
F	9,4	10,6	13,3	12,9	10,9	9,0	7,2
IRL	13,9	14,2	17,6	19,5	17,1	11,0	8,8
I	14,6	15,0	20,3	19,0	16,7	15,0	11,5
L	6,7	5,8	7,7	7,7	10,0	8,4	7,7
NL	7,7	4,0	6,7	6,2	5,7	2,8	3,6
UK	13,3	13,2	16,4	11,0	8,0	5,7	5,8
EC	9,7	8,9	11,2	10,1	8,7	6,3	5,6
USA	6,9	9,0	10,5	8,9	5,8	4,2	5,1
JAP	8,6	3,5	7,0	4,5	2,9	1,7	1,6

<sup>1</sup> Forecast.  
Source: Commission services.

**Nominal GDP.** — The growth rate of GDP at current prices for the EC as a whole dropped sharply from 9,5% to a probable 6,9% in 1983. For 1984 only a slight further decline is expected (6,6% — Table 3.).

TABLE 3: Gross domestic product, nominal (percentage change at current prices on preceding year, EC countries, EC, USA, Japan, 1971-1984)

	1971-1980	1979	1980	1981	1982	1983 <sup>1</sup>	1984 <sup>1</sup>
B	7,0	6,6	7,3	3,3	8,1	6,2	7,0
DK	9,7	11,4	7,6	10,9	13,6	9,8	6,5
D	5,2	8,4	6,4	4,2	3,7	3,8	5,1
GR	13,8	23,1	19,8	18,9	25,4	19,5	19,7
F	9,5	13,9	13,1	12,1	14,8	9,5	7,7
IRL	13,6	15,7	17,1	19,0	18,3	11,2	10,1
I	14,7	21,6	25,4	17,4	17,1	14,1	12,0
L	6,3	10,0	9,6	6,0	6,7	5,6	6,3
NL	7,6	6,4	6,2	4,3	4,0	1,9	2,4
UK	13,9	16,9	16,8	9,9	9,4	7,9	7,2
EC	9,8	13,0	12,2	8,7	9,5	6,9	6,6
USA	9,7	11,3	9,1	11,8	4,2	8,3	9,5
JAP	13,1	7,8	7,5	6,1	5,1	4,1	5,4

<sup>1</sup> Forecast.  
Source: Commission services.

**Components of demand.** — *Private consumption*, which picked up in the first half of this year is expected to flatten off in the second half, leading to only a very small year-on-year rise in 1984 (0,4%, Table 5). This reflects a slight fall of real disposable income, offset by a drop in the savings ratio of households. Next year real disposable income is not forecast to fall further and an equally modest rise of real private consumption as this year is exclusively based on an expected further decline of the savings ratio. Although the level of real private consumption in the EC as a whole has not declined since the recession started in 1980, it has dropped substantially or is expected to do so in 1984 in some individual countries, particularly in the Benelux and in Ireland (Table 11).

*Real government consumption* is affected by restrictive budgetary policy; its growth rate in the EC as a whole will probably be less than 1% this year and will be marginally negative in 1984. The prospects for economic recovery in the EC are mainly based on *fixed investment*. Capital formation is expected to increase again in the second half of this year, but given the drop in the first half of 1983, the year-on-year growth rate for 1983 will still

be slightly negative (−0,3%), and real fixed investment would thus be about 7% lower in 1983 than in 1980. Next year investment is expected to rise by 2% in real terms, with both construction and equipment recovering somewhat. *Stockbuilding* is not expected to contribute much to growth in either 1983 or 1984.

TABLE 4: Deflator of GDP, of imports and unit labour costs (percentage change on preceding year, EC, 1971-1984)

	1971-1980	1979	1980	1981	1982	1983 <sup>1</sup>	1984 <sup>1</sup>
Deflator of GDP	9,9	9,4	10,8	9,1	9,1	6,3	5,1
Deflator of imports (goods and services)	10,8	10,6	15,3	14,0	6,1	4,7	6,1
Unit labour costs (whole economy)	10,3	8,7	11,5	10,2	7,9	5,5	4,3

<sup>1</sup> Forecast.  
Source: Commission services.

The role of the *foreign balance* is expected to change from 1983 to 1984. Whilst this year its contribution to growth is likely to be nil, exports of goods and services at constant prices are forecast to rise by 3,5% next year, and imports by 2%, resulting in a positive contribution to GDP growth of 0,5 percentage points (Tables 5, 11 and 12).

**Balance of payments.** — The improvement of the Community's external position is expected to continue. The trade balance (fob-fob) will probably be in slight surplus this year and remain positive next. This year's improvement is entirely due to a small terms-of-trade gain, whilst next year's improvement in volume flows will be large enough to outweigh the impact of a terms-of-trade loss (exports of goods in 1984 3,5%, imports 2,1%). This forecast of export growth is slightly slower than that of the total world market due to the fact that EC exports are concentrated on slowly growing economies (OPEC, EFTA). With a slight surplus on services and a negative balance on transfers the balance on current account of the EC is expected to show a small deficit this year and be in equilibrium in 1984 (Table 6). As a consequence of the adjustment policies pursued in most of the countries which suffered from large deficits in recent years, these countries are expected to make progress towards external equilibrium.

TABLE 5: Rates of change of demand components and contributions to GDP growth (EC, 1971-1984)<sup>1</sup>

	Percentage change on preceding period <sup>1</sup> at constant prices				
	1971-1980	1981	1982	1983 <sup>2</sup>	1984 <sup>2</sup>
Private consumption	3,3	0,2	0,5	0,4	0,5
Government consumption	2,9	1,5	0,8	0,8	−0,1
Fixed capital formation	1,5	−4,7	−1,8	−0,3	2,0
Exports of goods and services	5,9	3,8	0,7	0,6	3,4
Imports of goods and services	5,3	−2,0	2,3	0,5	1,9
GDP	2,9	−0,4	0,4	0,5	1,5
	8202	8301	8302	8401	8402
Private consumption	0,0	1,1	−0,5	0,8	0,9
Government consumption	0,6	1,7	−0,8	0,3	0,0
Fixed capital formation	0,4	−1,4	1,2	2,3	2,4
Exports of goods and services	−3,6	1,6	2,7	3,7	3,4
Imports of goods and services	−3,6	2,0	1,6	2,0	2,0
GDP	−1,2	1,6	0,3	1,7	2,0
	Contributions to changes in GDP <sup>3</sup>				
	1971-1980	1981	1982	1983 <sup>2</sup>	1984 <sup>2</sup>
Final domestic demand	2,7	−2,1	0,1	0,3	0,7
Stockbuilding	0,0	−1,7	0,8	0,2	0,3
Foreign balance	0,1	1,7	−0,4	0,0	0,5
	8202	8301	8302	8401	8402
Final domestic demand	0,2	0,7	−0,2	1,0	1,0
Stockbuilding	−1,4	1,0	0,2	0,2	0,6
Foreign balance	−0,1	−0,1	0,3	0,5	0,5

<sup>1</sup> Half-yearly figures at annual rates, seasonally adjusted (8202 = second half of 1982 etc).  
<sup>2</sup> Forecast.  
<sup>3</sup> Change as percentage of GDP of preceding period.  
Source: Commission services.

**Labour markets.** — Unemployment is still expected to rise in the present forecast, although the extent of this increase has been revised downwards since the spring forecast. Employment is forecast to decline for the fourth and fifth consecutive years in 1983 and 1984, but at a decelerating rate ( $-0.9\%$  and  $-0.2\%$ ). Labour productivity in the whole economy would rise by around  $1.5\%$  in both years (manufacturing alone:  $3\%$  and  $2.5\%$  respectively).

TABLE 6: Balance on current account (per cent of GDP, EC countries, EC, USA, Japan, 1971-1984)

	1971-1980	1979	1980	1981	1982	1983 <sup>1</sup>	1984 <sup>1</sup>
B	0,0	-2,7	-4,7	-4,2	-3,6	-2,4	-1,5
DK	-3,0	-4,7	-3,7	-3,1	-4,2	-2,2	-1,3
D	0,7	-0,8	-1,9	-1,0	0,5	0,9	0,9
GR	-2,8	-2,9	-0,9	-0,2	-3,8	-5,0	-5,5
F	-0,4	0,0	-1,4	-1,4	-2,9	-1,8	-1,2
IRL	-4,9	-11,2	-10,0	-13,1	-8,3	-2,6	-0,6
I	-0,3	1,7	-2,4	-2,3	-1,6	-0,4	-0,2
L	22,5	28,3	22,6	31,1	38,8	37,2	36,3
NL	1,1	-1,1	-1,5	2,2	2,7	3,3	4,4
UK	-0,8	0,0	1,6	2,4	1,5	-0,2	-0,2
EC	-0,2	-0,4	-1,3	-0,6	-0,6	-0,1	0,0
USA	0,1	-0,1	0,3	0,1	-0,4	-0,9	-1,2
JAP	0,7	-0,8	-1,0	0,5	0,6	1,6	1,6

<sup>1</sup> Forecast.  
Source: Commission services.

Any improvement in the prospects for unemployment is based on a decline in the supply of labour rather than on demand. According to the forecast the activity rate will fall in 1984 to  $64,7\%$ , which is 1 point less than in 1981 and equivalent to 1,5 million people less on the labour market. However, the fall in employment outweighs this effect, and the unemployment rate in the Community (excluding Greece) is expected to rise to  $10,4\%$  for the average of this year and to  $10,9\%$  next year (Table 7). The corresponding number of unemployed is 11,7 million and 12,3 million people. This increase is common to all countries, although a flattening out of the rise in unemployment may be seen in some of them.

TABLE 7: Number of unemployed as percentage of working population (EC countries, EC, USA, Japan, 1971-1984)

	1971-1980	1979	1980	1981	1982	1983 <sup>1</sup>	1984 <sup>1</sup>
B	5,7	8,7	9,4	11,6	13,1	14,9	15,9
DK	3,6	5,3	6,1	8,3	8,8	9,7	10,7
D	2,6	3,4	3,3	4,7	6,8	8,5	8,7
GR	—	(2,2)	(2,8)	(3,1)	(6,1)	(7,3)	(7,5)
F	3,6	6,0	6,4	7,8	8,8	9,0	9,8
IRL	7,2	7,4	8,3	10,2	12,4	15,4	17,6
I	5,9	7,5	8,0	8,8	10,5	10,9	11,4
L	0,3	0,7	0,7	1,0	1,3	1,9	2,4
NL	3,3	4,1	4,7	8,8	11,7	14,3	16,2
UK	4,1	4,9	6,3	9,6	11,2	11,9	12,0
EC	4,0	5,5	6,1	7,9	9,5	10,4	10,9
USA	6,2	6,0	5,8	7,6	9,7	9,8	9,0
JAP	1,8	2,2	2,1	2,2	2,4	2,6	2,5

<sup>1</sup> Forecast.  
Source: Commission services.

**Wages.** — The rate of increase of wages per head is expected to fall to  $7,2\%$  this year and to  $6,1\%$  in 1984 (Table 8). This implies a rise of real wages per head of  $0,9\%$  and  $0,5\%$  respectively at the EC level. In some countries real wages are expected to fall however in one or both forecasting years: the Benelux, Greece and Ireland.

Given relatively high productivity growth, the rise of unit labour costs is forecast to decelerate ( $5,5\%$  and  $4,3\%$  in 1983 and 1984 respectively, Table 4). Unit labour costs would then rise by 0,8 percentage point less than the GDP deflator in both years, which suggests that the process of income redistribution in favour of non-labour income is proceeding.

TABLE 8: Compensation of employees per head (percentage change on preceding year, EC countries, EC, 1971-1984)

	1971-1980	1979	1980	1981	1982	1983 <sup>1</sup>	1984 <sup>1</sup>
B	12,0	5,4	8,8	7,3	8,1	6,0	7,7
DK	11,5	9,4	9,9	10,2	11,1	7,5	5,5
D	8,5	5,9	6,8	5,3	4,4	3,8	3,5
GR	18,3	21,9	14,8	23,9	26,2	17,3	18,5
F	13,8	13,1	14,8	14,5	14,5	9,7	8,2
IRL	18,1	18,1	19,5	18,5	14,4	12,2	8,9
I	18,5	17,9	22,2	22,0	17,1	15,6	12,4
L	10,5	6,0	7,8	7,7	6,9	7,1	5,9
NL	11,0	6,0	5,5	3,3	5,7	3,2	0,1
UK	16,1	16,4	20,2	14,7	8,8	7,9	6,3
EC	12,7	10,9	13,5	12,1	9,6	7,2	6,0

<sup>1</sup> Forecast.  
Source: Commission services.

**Government finance.** — Recent and announced expenditure cuts in most countries will lead to a sharp drop in the rise of public expenditure, whose rate of increase for the EC as a whole is expected to fall from  $11,8\%$  in 1982 to  $6,5\%$  in 1984. Up to 1983 government receipts moved roughly in parallel with expenditure, with general government net borrowing even tending upwards. In 1984 however the deficit is expected to fall significantly ( $4,7\%$  of GDP) as receipts outstrip expenditure (Table 9).

TABLE 9: General government lending or borrowing (—) as percentage of GDP (EC countries, EC, 1971-1984)

	1971-1980	1979	1980	1981	1982	1983 <sup>1</sup>	1984 <sup>1</sup>
B	-4,9	-6,9	-9,4	-12,6	-11,9	-12,2	-11,1
DK	-1,0	-3,1	-5,9	-7,0	-9,1	-8,8	-7,8
D	-1,7	-3,0	-3,5	-3,9	-3,5	-3,3	-2,1
GR	-4,6	-4,8	-5,4	-10,1	-6,4	-6,3	-6,3
F	-0,5	-0,8	0,5	-1,8	-2,7	-3,1	-3,3
IRL	-9,1	-11,9	-12,8	-15,8	-16,2	-13,4	-11,8
I	-8,7	-9,5	-8,4	-11,7	-11,9	-11,9	-10,0
L	2,0	0,1	-1,8	-2,3	-2,0	-2,9	-1,5
NL	-1,6	-2,0	-3,4	-5,2	-6,9	-6,7	-7,1
UK	-3,3	-3,3	-3,5	-2,9	-2,1	-2,2	-2,1
EC	-3,2	-3,6	-3,5	-5,2	-5,2	-5,4	-4,7

<sup>1</sup> Forecast.  
Source: Commission services.

TABLE 10: Money supply M2/M3 (percentage change at end of year on twelve months earlier, EC countries, EC, USA, Japan, 1971-1984)

	1971-1980	1979	1980	1981	1982	1983 <sup>1</sup>	1984 <sup>1</sup>
B	10,3	6,0	2,7	6,6	5,7	5,0	6,7
DK	11,7	9,9	10,9	9,6	11,7	12,5	7,5
D	10,0	6,0	6,2	5,0	7,1	7,5	5,5
GR	23,8	18,4	24,7	34,3	29,1	22,6	20,2
F	14,8	14,4	9,7	11,4	10,8	8,8	6,5
IRL	18,4	19,0	16,9	17,4	12,9	14,4	14,4
I	19,5	20,3	12,0	16,0	17,2	16,0	11,0
L	—	—	—	—	—	—	—
NL	10,8	7,6	3,6	5,2	7,6	5,5	6,0
UK	14,5	12,7	18,6	14,6	9,3	10,6	8,6
EC	13,8	11,9	10,5	10,8	10,7	10,1	7,8
USA	9,5	8,2	9,0	10,0	9,2	—	—
JAP	16,9	9,1	7,2	8,7	7,0	—	—

<sup>1</sup> Forecast.  
Source: Commission services.

**Money supply.** — The annual growth rate at end-year of the money supply (M2 or M3) in the EC as a whole is expected to decrease slightly in 1983 (from  $10,7\%$  in 1982 to  $10,1\%$ ) and substantially in 1984 ( $7,8\%$ , Table 10).

TABLE 11: Demand components of constant prices (percentage change on preceding year, EC countries, 1971-1984)

	1971-80	1981	1982	1983 <sup>1</sup>	1984 <sup>1</sup>
<b>B<sup>3</sup></b> Private consumption	3,7	-1,4	1,1	-3,1	-1,1
Government consumption	4,2	0,6	-1,6	-1,6	-0,8
Fixed capital formation	2,1	-16,2	-2,6	-1,9	0,4
Exports of goods and services	5,6	2,4	2,0	1,0	2,9
Imports of goods and services	5,7	-1,4	0,2	-0,9	1,0
GDP	3,2	-1,8	1,0	-0,9	0,6
<b>DK<sup>3</sup></b> Private consumption	1,5	-0,5	2,6	1,9	0,3
Government consumption	4,4	3,0	3,3	1,2	-1,5
Fixed capital formation	-0,9	-15,7	3,7	1,9	1,0
Exports of goods and services	4,7	5,4	2,0	4,6	2,4
Imports of goods and services	1,8	-1,5	2,2	0,0	-0,8
GDP	2,3	0,1	3,4	2,2	1,2
<b>D<sup>4</sup></b> Private consumption	3,3	-0,4	-2,2	0,5	1,0
Government consumption	2,4	1,7	-1,1	-0,1	0,0
Fixed capital formation	1,6	-3,9	-5,4	3,3	4,7
Exports of goods and services	5,5	7,8	3,5	-1,0	3,2
Imports of goods and services	5,8	-0,5	-0,1	0,5	3,0
GDP	2,8	0,2	-1,0	0,7	2,1
<b>GR<sup>2</sup></b> Private consumption	4,7	0,7	0,6	0,1	0,8
Government consumption	6,1	6,5	1,0	3,0	2,5
Fixed capital formation	2,4	-10,1	-1,0	-2,2	2,8
Exports of goods and services	10,6	5,4	-5,8	-2,8	2,2
Imports of goods and services	5,8	9,0	5,9	-1,3	1,6
GDP	4,7	-0,7	0,0	-0,2	1,5
<b>F<sup>2</sup></b> Private consumption	4,2	1,9	3,5	0,3	0,2
Government consumption	3,0	2,4	1,7	-1,1	-1,2
Fixed capital formation	2,4	-2,3	1,1	-3,8	-2,6
Exports of goods and services	8,0	5,4	-3,7	-0,1	3,0
Imports of goods and services	8,4	1,6	4,8	-2,7	-0,9
GDP	3,6	0,2	1,8	-0,3	0,4

<sup>1</sup> Forecast.

<sup>2</sup> 1970 prices.

<sup>3</sup> 1975 prices.

<sup>4</sup> 1976 prices.

<sup>5</sup> 1980 prices.

Source: Commission services.

	1971-80	1981	1982	1983 <sup>1</sup>	1984 <sup>1</sup>
<b>IRL<sup>3</sup></b> Private consumption	2,7	-0,4	-5,3	-3,5	-0,8
Government consumption	6,3	-0,1	3,3	0,0	-1,0
Fixed capital formation	5,1	7,5	-8,4	-10,4	-1,2
Exports of goods and services	8,0	2,0	4,0	7,5	8,3
Imports of goods and services	6,3	2,1	-4,4	-1,5	3,7
GDP	4,1	1,1	1,2	0,5	1,8
<b>I<sup>2</sup></b> Private consumption	3,2	0,2	0,3	-0,8	-0,4
Government consumption	3,0	1,7	1,8	1,8	1,8
Fixed capital formation	1,1	-0,2	-5,3	-5,1	3,7
Exports of goods and services	7,0	5,2	1,2	1,7	4,5
Imports of goods and services	6,0	-5,3	2,1	-0,8	2,9
GDP	3,1	-0,2	-0,3	-0,8	1,5
<b>L<sup>3</sup></b> Private consumption	4,1	1,7	-1,6	-1,5	-2,5
Government consumption	3,8	2,1	0,3	-0,3	-0,7
Fixed capital formation	2,8	-13,3	-2,2	-5,8	-2,3
Exports of goods and services	3,1	2,0	0,3	-3,3	0,4
Imports of goods and services	3,8	1,8	-0,9	-3,0	-0,8
GDP	3,1	-1,8	-1,1	-2,4	-1,0
<b>NL<sup>5</sup></b> Private consumption	3,9	-2,1	-1,6	-1,5	-2,0
Government consumption	2,7	1,3	0,7	1,7	3,4
Fixed capital formation	0,8	-10,8	-5,0	0,7	0,5
Exports of goods and services	5,4	0,8	-0,9	2,9	3,8
Imports of goods and services	4,1	-7,3	1,1	1,7	1,1
GDP	3,4	-1,2	-1,6	0,3	0,0
<b>UK<sup>3</sup></b> Private consumption	2,1	-0,1	1,1	3,1	2,0
Government consumption	2,5	0,4	1,2	2,4	0,4
Fixed capital formation	0,5	-8,2	5,1	4,7	3,1
Exports of goods and services	4,1	-1,7	0,6	0,3	3,0
Imports of goods and services	3,2	-3,0	5,0	4,8	3,3
GDP	1,9	-2,0	1,5	2,8	2,2

TABLE 12: Contributions to real GDP growth<sup>1</sup> (EC countries, 1971-1984)

	1971-80	1981	1982	1983 <sup>2</sup>	1984 <sup>2</sup>
<b>B</b> Final domestic demand	3,2	-4,1	-0,1	-2,5	-0,7
Stockbuilding	-0,1	0,1	0,0	0,6	0,2
Foreign balance	0,0	2,3	1,1	1,1	1,2
<b>DK</b> Final domestic demand	1,5	-2,1	2,8	1,1	-0,1
Stockbuilding	-0,2	0,3	0,5	-0,5	0,2
Foreign balance	0,7	2,1	0,1	1,6	1,1
<b>D</b> Final domestic demand	2,6	-1,9	-2,6	0,9	1,5
Stockbuilding	0,0	-1,1	0,5	0,3	0,4
Foreign balance	0,2	2,1	1,1	-0,4	0,2
<b>GR</b> Final domestic demand	4,5	0,3	0,4	0,2	1,5
Stockbuilding	0,1	1,9	1,6	-0,3	0,2
Foreign balance	0,1	-1,5	-2,0	-0,1	-0,1
<b>F</b> Final domestic demand	3,4	-1,1	2,7	-0,8	-0,5
Stockbuilding	0,0	-2,2	1,1	-0,2	0,0
Foreign balance	0,0	1,4	-2,1	0,6	0,9

<sup>1</sup> Change as percentage of GDP of preceding period.

<sup>2</sup> Forecast.

Source: Commission services.

	1971-80	1981	1982	1983 <sup>2</sup>	1984 <sup>2</sup>
<b>IRL</b> Final domestic demand	4,0	1,3	-5,0	-4,7	-0,9
Stockbuilding	-0,2	-0,4	1,1	0,1	-0,1
Foreign balance	0,0	-0,2	5,1	5,2	2,9
<b>I</b> Final domestic demand	3,0	-2,8	-0,5	-1,1	0,6
Stockbuilding	0,4	-4,2	0,2	-0,3	0,3
Foreign balance	-0,1	3,0	-0,1	0,6	0,5
<b>L</b> Final domestic demand	3,6	-1,3	-1,5	-2,4	-2,2
Stockbuilding	0,0	1,0	-0,6	0,2	0,2
Foreign balance	-0,5	-0,5	1,0	-0,2	1,1
<b>NL</b> Final domestic demand	2,8	-5,0	-1,8	-0,5	-1,7
Stockbuilding	-0,1	-1,9	1,2	0,0	0,2
Foreign balance	0,6	4,0	-1,0	0,7	1,5
<b>UK</b> Final domestic demand	1,7	-1,7	1,9	3,3	1,9
Stockbuilding	-0,2	-0,3	1,0	0,9	0,5
Foreign balance	0,1	-0,3	-1,3	-1,4	-0,2



TABLE A.1: Industrial production<sup>1</sup> - Percentage change on preceding period (s.a.)

	1978	1979	1980	1981	1982	1982			1983		1983							Change over 12 months % <sup>2</sup>
						II	III	IV	I	II	Jan.	Feb.	March	April	May	June	July	
B	2.4	4.3	-1.0	-2.9	-0.2	0.8	-1.1	-0.1	1.1	:	6.4	-0.7	0	0	-1.0	:	:	-2.0
DK	2.3	3.6	0.2	0.3	2.4	2.4	-3.1	1.2	1.4	2.1	-2.2	0.8	2.0	-3.6	5.3	1.8	-7.7	1.2
D	2.0	5.5	-0.8	-1.4	-2.8	-0.9	-3.7	-1.9	2.0	2.9	2.0	0	1.0	0	1.0	2.9	-1.9	2.5
GR	7.5	6.0	0.9	-0.6	-4.2	-3.8	-4.4	2.4	2.4	-1.8	4.8	-1.9	-0.1	0.5	-4.7	5.0	:	4.5
F	1.6	4.7	-0.7	-2.3	-1.5	0.5	-2.3	0.8	0.8	0.8	1.6	0	0	0	2.3	-2.3	:	-1.5
IRL	7.7	6.9	-1.8	1.4	0.4	1.5	-1.1	0.8	4.4	-2.2	7.5	-2.1	-0.4	-2.1	-0.1	-3.0	:	4.6
I	2.1	6.7	5.0	-2.2	-2.6	-3.1	-4.7	-0.7	0.6	-4.7	0.2	2.2	-1.8	-4.8	2.6	3.0	3.2	-6.5
L	3.2	3.4	-3.3	-6.8	-3.7	-4.7	-0.1	-4.2	-1.2	2.6	9.6	1.5	-4.2	9.1	-3.3	-4.6	8.8	4.0
NL	0.9	2.8	0	-1.8	-2.8	-3.0	-3.1	0.3	2.9	0	0.9	1.9	-2.8	1.9	0.9	-3.7	:	0
UK	3.6	3.9	-6.5	-3.9	2.1	0.9	0.8	-0.5	1.2	0.1	0.4	0.6	-1.1	0.7	0.7	-1.8	2.1	3.0
EC 10	2.4	4.9	-0.9	-2.2	-1.4	-0.1	-1.7	-1.7	0.7	(0.2)	2.0	-0.4	-0.5	0.1	(1.0)	(-0.2)	:	(-0.3)
USA	6.1	4.7	-4.5	2.5	-8.5	-1.2	-0.3	-2.4	2.9	(4.7)	1.6	1.1	1.6	(1.9)	(1.4)	(1.2)	(1.8)	(7.4)
JAP	6.3	8.4	7.1	3.2	1.1	-1.2	0.5	-1.2	0.9	(1.6)	0.4	-0.6	1.1	-0.2	0.2	(1.0)	(0.2)	(2.4)

TABLE A.2: Unemployment rate - Number of unemployed as percentage of civilian labour force (s.a.)

	1978	1979	1980	1981	1982	1982			1983		1983							Change over 12 months % <sup>2</sup>
						II	III	IV	I	II	Feb.	March	April	May	June	July	Aug.	
B	(8.1)	(8.4)	(9.1)	(11.2)	(13.1)	12.9	13.4	13.8	14.2	14.3	14.2	14.2	14.2	14.2	14.5	14.4	14.7	10.2
DK	6.5	5.3	6.1	8.2	8.8	9.0	9.0	9.0	9.5	9.7	9.3	9.7	(9.8)	(9.7)	(9.7)	(9.6)	(9.9)	(13.1)
D	3.8	3.3	3.3	4.7	6.8	6.8	7.2	7.7	8.4	8.5	8.5	8.6	8.5	8.5	8.6	8.6	8.5	22.2
F	5.2	6.0	6.4	7.8	8.8	8.9	9.0	9.1	9.0	8.9	9.0	8.9	8.9	8.9	8.9	8.9	8.9	-0.5
IRL	8.4	7.4	8.3	10.2	12.3	11.9	12.6	13.4	14.2	14.8	14.2	14.5	14.6	14.8	15.0	15.0	15.1	20.6
I	7.1	7.5	8.0	8.8	10.5	10.4	10.6	11.2	11.7	11.9	11.7	11.8	12.0	12.0	11.8	11.9	12.0	13.1
L	0.7	0.7	0.7	1.0	1.3	1.2	1.2	1.4	1.5	1.5	1.5	1.4	1.5	1.5	1.5	1.6	1.6	37.1
NL	(5.4)	(5.5)	(6.2)	(8.8)	(11.7)	11.4	12.1	13.0	13.5	14.0	13.5	13.7	13.8	13.9	14.3	14.3	14.5	21.7
UK	5.3	4.9	6.3	9.6	11.2	11.2	11.2	11.8	12.1	12.2	12.1	12.2	12.3	12.1	12.1	11.9	11.6	3.8
EC 9	(5.4)	(5.5)	(6.1)	(7.9)	(9.6)	9.5	9.7	10.1	10.5	10.7	10.5	10.7	10.7	10.7	(10.7)	(10.6)	(10.6)	(10.1)
USA	6.0	5.8	7.1	7.6	9.7	9.4	10.0	10.7	10.4	10.1	10.4	10.3	10.2	10.1	10.0	(9.5)	9.5	(-2.8)
JAP	2.2	2.1	2.0	2.2	2.4	2.4	2.4	2.7	2.4	2.8	2.7	2.6	2.7	2.7	2.6	2.5	:	11.4

TABLE A.3: Consumer price index - Percentage change on preceding period

	1978	1979	1980	1981	1982	1982			1983		1983							Change over 12 months % <sup>2</sup>
						II	III	IV	I	II	Feb.	March	April	May	June	July	Aug.	
B	4.5	4.5	6.6	7.6	8.7	2.3	2.5	1.9	1.7	1.3	0.6	0.4	0.3	0.5	0.6	1.0	1.0	7.9
DK	10.0	9.6	12.3	11.7	10.1	2.4	2.6	2.5	0.8	1.5	0.2	-0.2	0.7	1.1	0.3	0	0.5	6.1
D	2.7	4.1	5.5	5.9	5.3	1.4	1.1	0.7	0.5	0.6	0.1	-0.1	0.2	0.4	0.4	0.4	0.3	3.0
GR	12.5	19.0	24.9	24.5	21.0	7.0	1.6	5.6	5.4	6.9	1.9	4.8	1.7	1.8	0.1	-0.9	-0.3	20.0
F	9.1	10.7	13.6	13.4	12.0	3.1	1.4	1.9	2.6	2.8	0.7	0.9	1.3	0.7	0.5	0.9	0.5	9.6
IRL <sup>5</sup>	7.6	13.2	18.2	20.4	17.2	5.8	2.1	1.6	2.5	2.8	(0.8)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	10.0
I	12.1	14.8	21.2	19.5	16.4	3.0	4.1	4.5	3.6	2.9	1.3	0.9	1.0	0.9	0.6	1.0	0.4	13.6
L	3.1	4.5	6.3	8.1	9.4	2.0	2.9	2.5	2.0	0.9	0.3	0.2	0.3	0.5	0.3	1.5	0.7	8.3
NL	4.2	4.3	7.0	6.8	6.0	1.6	0.8	0.9	0.1	0.7	0.1	0.2	0.4	0.1	0.1	0.5	0.3	2.7
UK	8.3	13.4	18.0	11.9	8.6	3.2	0.5	0.7	0.5	2.0	0.5	0.2	1.4	0.4	0.2	0.5	0.4	4.5
EC 10 <sup>7</sup>	7.7	10.4	14.3	12.9	11.0	2.9	1.8	2.1	2.0	2.3	0.7	0.7	1.0	0.7	0.4	0.7	0.4	8.2
USA	7.6	11.3	13.5	10.3	6.2	1.5	1.9	0.2	0	1.3	0	0.1	0.7	0.5	0.3	0.4	0.3	2.6
JAP	3.8	3.6	8.0	5.0	2.6	1.0	0.4	0.9	-0.4	1.1	-0.4	0.6	0.4	1.1	-0.7	-0.5	-0.4	1.1

TABLE A.4: Volume of retail sales - Percentage change on preceding period (s.a.)

	1978	1979	1980	1981	1982	1982			1983		1983							Change over 12 months % <sup>2</sup>
						II	III	IV	I	II	Jan.	Feb.	March	April	May	June	July	
B	2.3	3.9	1.2	-3.3	-1.3	-1.4	0.3	0.9	-4.2	:	-7.9	-0.5	-0.3	-4.7	-0.7	:	:	-7.4
DK	-2.4	2.2	-1.5	-0.6	1.5	2.0	-2.1	-0.2	2.6	-2.6	-0.4	0.5	7.4	-11.1	4.8	3.5	0.1	-3.0
D	2.8	2.6	0.3	2.6	-2.7	-1.6	-1.2	-0.6	2.3	0.4	-1.9	1.5	8.2	-8.1	1.8	5.9	-9.3	-5.0
GR	4.9	-2.1	-3.5	-3.3	-3.7	-3.7	0.3	1.9	-0.7	:	11.4	-7.5	-2.3	-6.0	17.0	:	:	7.1
F	2.1	2.3	-0.4	0.7	1.8	-0.2	-1.7	2.7	-0.1	-4.6	-3.7	1.3	4.7	9.0	3.3	-2.7	-1.1	-5.7
IRL	8.7	3.3	-0.7	-0.7	-5.4	-2.6	-2.1	3.1	-1.5	:	-3.5	11.1	-19.1	1.8	5.9	:	:	-1.6
I	2.6	7.3	2.7	2.2	4.6	3.0	-2.5	1.9	-1.3	0.5	-6.0	0.4	6.6	-6.2	1.3	5.2	:	4.1
NL	4.7	-0.3	-4.1	-4.8	-3.1	0.6	0.7	-0.2	0.4	-0.3	-5.2	3.3	3.7	-2.5	-4.2	5.0	:	2.3
UK	5.5	4.3	0	1.2	2.6	0.2	2.0	1.4	0.5	2.3	-1.8	0.9	0.7	0.9	0.7	0.3	:	6.2
EC 9 <sup>6</sup>	3.2	3.4	0.2	-0.5	0.7	0	-0.8	1.1	0.3	(-0.7)	-3.7	1.2	4.8	-5.8	1.5	(2.3)	:	(2.1)
USA	3.4	0.2	-5.8	-1.4	-3.2	0.6	-1.7	2.5	0.4	4.4	-0.4	-1.3	2.2	1.6	2.6	(-0.1)	(-0.5)	5.6
JAP	4.4	5.5	0	-3.2	-4.0	-1.5	-0.4	-0.6	-0.8	-0.8	-0.1	-1.1	-1.1	2.0	(-2.3)	(-0.9)	:	-4.1

TABLE A.5: Visible trade balance - fob/cif, million ECU (s.a.)

	1978	1979	1980	1981	1982	1982			1983		1983							Change over 12 months % <sup>2</sup>
						II	III	IV	I	II	Jan.	Feb.	March	April	May	June	July	
B/L	-2890	-2064	-4993	-5418	-3082	-1388	-343	-133	170	:	553	-231	-152	19	-132	:	:	296
DK	-2198	-3022	-2116	-1475	-1866	-413	-445	-571	-174	-240	6	0	-179	-40	-137	-63	54	123
D	15967	8939	3615	11239	21599	5542	5872	5718	5945	4614	1971	1905	2069	1197	1669	1748	1161	-795
GR	-3340	-4162	-3853	-3951	-5826	-1295	-1163	-1457	-1270	-1664	-463	-386	-422	-582	-395	-688	-426	-194
F	-4081	-6194	-16948	-17283	-24457	-6043	-6243	-6850	-6095	-4301	-2019	-2005	-2072	-1198	-1860	-1243	-1131	808
IRL	-1137	1947	-1893	-2467	-1574	-353	-332	-300	-298	-92	-97	-82	-119	-6	-70	-16	:	24
I	-319	-3893	-15307	-13554	-12513	-2909	-2968	-2502	-2651	-1887	-1697	-675	-280	-1136	-29	-743	:	385
NL	-2198	-2622	-2981	1320	3500	1039	523	548	944	1270	119	301	524	413	425	432	404	379
UK	-5588	-7998	-3353	-446	-3295	-1943	-810	118	-2182	-2781	-1187	-692	-303	-971	-1210	-600	-1193	-1059
EC 10 <sup>7</sup>	-5782	-22962	-47829	-32034	-27515	-8531	-6015	-6077	-5396	(-5555)	-2632	-1727	-1036	-2302	-1866	(-1387)	:	(2114)
USA	-31014	-27146	-26113	-35538	-43518	-7076	-14131	-13727	-11374	-18045	-3711	-3793	-3870	-4974	-7515	-5556	-7235	-4422
JAP	14285	-5574	-7707	7832	7034	2519	2061	1097	4385	6005	1213	1674	1498	2422	2374	1210	2620	1818

Source: For the Community countries: Eurostat, unless otherwise stated; for the United States

TABLE A.6: Money stock<sup>8</sup> - Percentage change on preceding period (s.a.)

	1978	1979	1980	1981	1982	1982			1983		1983								Change over 12 months % 2
						II	III	IV	I	II	Feb.	March	April	May	June	July	Aug.		
B (M2)	9,6	6,2	2,7	5,9	5,9	2,0	3,1	0,0	-0,2	:	:	:	:	:	:	:	:	5,0	
DK (M2)	8,6	10,6	7,8	9,0	11,5	2,5	3,1	2,5	6,1	7,6	1,4	2,7	1,7	2,6	3,2	0,5	1,8	21,6	
D (M3)	11,0	6,0	6,2	4,8	7,1	2,3	1,3	0,4	3,3	1,1	0,6	0,7	0,5	-0,1	0,7	0,9	:	6,8	
GR (M3)	26,0	18,4	24,7	34,7	29,0	9,7	5,0	6,4	1,8	4,9	0,2	0,6	1,6	2,2	1,1	(0,8)	:	(18,2)	
F (M2)	12,4	14,7	10,0	11,5	11,7	3,7	2,4	1,4	2,3	2,7	0	0,1	1,0	1,5	0,1	0,6	:	8,4	
IRL (M3)	28,7	19,0	17,9	17,6	12,9	2,1	4,7	2,4	-0,9	1,7	0,6	-1,2	0	2,1	-0,4	0,6	-0,3	:	
I (M2)	22,1	20,3	12,7	10,0	17,0	3,2	4,3	6,5	2,0	3,6	0,6	0,6	1,0	0,8	1,7	:	:	17,3	
NL (M2)	4,2	7,0	3,8	5,3	8,8	1,7	1,6	-0,1	5,5	2,5	0	3,9	0,5	0,7	1,2	:	:	9,7	
UK (£M3)	13,3	11,7	19,6	13,9	10,3	2,5	2,4	2,1	2,4	3,9	0,6	1,0	1,7	0,5	1,7	0,8	0,1	11,0	
EC 10 <sup>9</sup>	13,5	11,9	10,9	9,7	10,9	2,9	2,5	2,1	2,8	2,7	0,4	0,9	0,9	0,7	1,0	:	:	(10,4)	
USA (M2)	8,3	8,8	9,6	10,0	9,1	2,0	2,8	2,2	5,6	2,2	2,0	0,9	0,2	1,1	0,9	0,5	:	13,0	
JAP (M2)	13,1	9,1	7,2	11,0	7,9	1,7	2,6	1,4	1,5	1,4	0,7	0,6	-0,2	1,2	0,7	:	:	7,4	

TABLE A.7: Short-term interest rates<sup>10</sup>

	1978	1979	1980	1981	1982	1982		1983			1983							Change over 12 months % <sup>2</sup>
						III	IV	I	II	III	March	April	May	June	July	August	Sept.	
B	7,3	10,9	14,2	15,6	14,1	13,0	12,4	12,3	9,5	9,3	12,3	10,5	10,0	9,5	9,3	9,3	9,3	-3,7
DK	15,4	12,5	16,9	14,9	16,4	20,2	17,5	18,2	5,4	13,7	18,2	15,1	8,4	5,4	7,9	7,1	13,7	-6,5
D	3,7	6,9	9,5	12,3	8,8	8,0	6,4	5,3	5,6	(6,2)	5,3	5,3	5,5	5,6	5,6	5,8	(6,2)	-1,8
GR	·	·	11,0	16,8	20,2	23,0	15,8	19,6	14,0	11,8	19,6	22,4	22,3	14,0	16,8	16,5	11,8	-11,2
F	7,8	9,8	12,3	15,6	14,6	13,9	12,7	12,3	12,6	12,6	12,3	12,4	12,6	12,6	12,2	12,4	12,6	-1,3
IRL	9,9	16,0	16,2	16,6	17,5	15,4	15,5	17,3	13,7	12,6	17,3	15,1	14,7	13,7	13,8	13,4	12,6	-2,8
I	11,5	12,0	17,6	20,0	20,1	18,6	19,1	19,4	17,8	17,5	19,4	17,9	17,9	17,8	17,6	17,6	17,5	-1,1
NL	7,0	9,6	10,6	11,8	8,3	7,9	5,3	4,3	5,4	6,2	4,3	6,0	6,2	5,4	5,6	6,3	6,2	-1,7
UK	9,4	13,9	16,8	14,2	12,2	10,6	10,6	10,9	9,7	9,6	10,9	10,2	10,3	9,7	10,0	9,8	9,6	-1,0
EC 10 <sup>9</sup>	7,7	10,3	13,4	15,0	13,2	12,4	11,4	11,1	10,3	10,6	11,1	10,3	10,8	10,3	10,4	10,5	10,6	-1,8
USA	7,4	10,1	11,6	14,0	10,6	7,8	8,1	8,6	8,7	8,8	8,6	8,1	8,6	8,7	9,3	9,3	8,8	1,0
JAP	4,4	5,9	10,9	7,4	6,9	7,0	6,9	6,7	6,2	·	6,7	6,3	6,1	6,2	6,4	6,5	·	-0,7

TABLE A.8: Long-term interest rates<sup>11</sup>

	1978	1979	1980	1981	1982	1982			1983		1983							Change over 12 months % <sup>2</sup>
						II	III	IV	I	II	Feb.	March	April	May	June	July	Aug.	
B	8,5	9,7	12,2	13,8	13,5	13,6	13,2	12,7	12,5	11,6	12,6	12,5	11,6	11,6	11,6	11,4	11,5	-1,7
DK	16,8	16,7	18,7	19,3	20,5	21,2	21,2	19,4	14,7	14,3	15,6	14,7	13,5	13,7	14,3	14,5	14,3	-6,6
D	5,7	7,4	8,5	10,4	9,0	9,1	8,7	7,9	7,4	8,0	7,6	7,4	7,4	7,6	8,0	8,1	8,3	-0,7
GR	10,0	11,2	17,1	17,7	15,4	15,8	14,9	13,8	17,9	18,0	17,8	17,9	18,2	18,2	18,0	18,2	18,7	3,2
F	10,6	10,9	13,7	16,3	16,0	16,0	15,8	15,5	14,7	14,5	14,9	14,7	14,6	14,6	14,5	14,0	14,0	-1,8
IRL	12,8	15,1	15,4	17,2	17,0	18,6	15,2	14,5	14,0	13,6	14,3	14,0	13,6	13,5	13,6	13,8	13,6	-2,4
I	13,7	14,1	16,1	20,6	20,9	21,2	20,4	20,5	18,2	17,9	19,2	18,2	17,9	17,8	17,9	17,9	17,9	-3,2
L	6,6	6,8	7,4	8,6	10,4	10,7	10,5	10,9	10,4	9,8	10,4	10,4	10,4	10,2	9,8	9,3	9,3	-0,4
NL	8,1	9,2	10,7	12,2	10,5	10,9	10,4	8,4	8,0	9,7	8,1	8,0	8,7	9,2	9,7	9,3	9,4	-1,4
UK	12,6	13,0	13,9	14,8	12,7	13,6	11,1	11,0	10,8	10,5	11,2	10,8	10,6	10,4	10,5	11,2	11,1	-0,5
EC 10 <sup>9</sup>	10,1	10,9	12,7	14,9	14,0	14,3	13,4	12,9	12,1	12,2	12,5	12,1	12,0	12,1	12,2	12,2	12,2	-1,5
USA	7,9	8,7	10,8	12,9	12,2	13,2	11,5	10,3	10,3	10,6	10,6	10,3	10,2	10,2	10,6	11,1	11,0	-1,2
JAP	6,1	7,7	9,2	8,7	8,1	8,5	8,4	7,5	7,6	7,5	7,5	7,6	7,5	7,6	7,5	7,6	8,1	-0,3

TABLE A.9: Value of ECU — 1 ECU = ... units of national currency or SDR

	1978	1979	1980	1981	1982	1982		1983			1983							Change over 12 months % <sup>2</sup>
						III	IV	I	II	III	March	April	May	June	July	August	Sept.	
BFR/LFR	40,06	40,17	40,60	41,29	44,68	45,19	45,45	44,87	45,22	45,69	44,52	44,96	45,27	45,43	45,54	45,68	45,85	1,1
DKR	7,02	7,21	7,83	7,92	8,15	8,22	8,21	8,09	8,08	8,18	8,09	8,02	8,09	8,14	8,17	8,20	8,17	-1,3
DM	2,56	2,51	2,53	2,51	2,38	2,36	2,33	2,28	2,27	2,28	2,26	2,26	2,27	2,27	2,27	2,28	2,27	-3,5
DR	46,80	50,78	59,24	61,62	65,30	66,70	67,01	78,32	76,67	76,50	78,57	77,61	77,10	75,30	74,44	76,01	78,98	18,3
FF	5,74	5,83	5,87	6,04	6,43	6,60	6,60	6,53	6,81	6,85	6,58	6,77	6,82	6,84	6,84	6,86	6,86	3,3
IRL	0,664	0,669	0,676	0,691	0,690	0,687	0,691	0,692	0,718	0,723	0,695	0,715	0,718	0,720	0,721	0,722	0,725	5,4
LIT	1 080	1 138	1 189	1 263	1 324	1 325	1 339	1 326	1 347	1 355	1 339	1 344	1 349	1 348	1 346	1 354	1 364	2,8
HFL	2,75	2,75	2,76	2,78	2,62	2,59	2,55	2,52	2,55	2,55	2,52	2,54	2,55	2,55	2,54	2,55	2,54	-1,4
UKL	0,664	0,646	0,598	0,553	0,561	0,551	0,566	0,619	0,586	0,570	0,630	0,600	0,583	0,576	0,575	0,568	0,568	3,5
USD	1,274	1,371	1,391	1,116	0,981	0,951	0,934	0,948	0,912	0,861	0,938	0,925	0,919	0,892	0,879	0,852	0,852	-9,5
YEN	267,1	300,5	315,0	245,4	243,5	245,9	241,7	223,2	216,6	208,7	223,1	219,8	216,0	214,1	211,4	208,3	206,5	-16,5
SDR	1,018	1,061	1,068	0,946	0,888	0,875	0,866	0,868	0,846	0,817	0,864	0,855	0,848	0,835	0,827	0,812	0,811	-7,0

TABLE A.10: Effective exchange rates: export aspect<sup>12</sup> - Percentage change on preceding period

	Change over																	
	1982					1983			1983							12 months		
	1978	1979	1980	1981	1982	III	IV	I	II	III	March	April	May	June	July	August	Sept.	% <sup>2</sup>
B/L	2,9	1,2	-0,5	-5,3	-9,2	-0,4	-0,3	1,2	-1,0	-1,9	1,4	-1,1	-0,9	-0,7	-0,5	-0,8	-0,4	-2,2
DK	-0,1	-0,8	-7,9	-6,8	-4,2	-1,9	2,0	2,2	-1,2	-2,7	0,3	0,0	-1,4	-1,3	-0,8	-1,1	0,4	0,7
D	6,0	4,8	0,4	-5,2	5,1	0,7	1,8	2,6	0,2	-1,8	2,0	-0,2	-0,8	-1,0	-0,4	-0,9	0,3	2,6
GR	-8,7	-5,4	-13,5	-9,4	-7,2	-3,4	-0,3	-15,3	2,3	-1,0	0,6	1,0	0,4	1,8	0,8	-2,8	-3,8	-17,3
F	-1,0	0,9	0,4	-8,6	-8,1	-5,8	0,5	1,5	-5,3	-2,0	-1,0	-3,6	-1,2	-0,9	-0,3	-1,0	-0,1	-4,9
IRL	0,7	0,2	-2,0	-8,3	-1,3	-0,7	0,3	2,2	-5,4	-2,4	-0,1	-4,1	-1,3	-1,2	-0,3	-1,1	-0,4	-5,7
I	-6,1	-3,2	-3,7	-12,2	-6,8	-0,8	-0,9	1,2	-2,5	-2,0	-1,2	-0,9	-0,8	-0,6	-0,2	-1,4	-0,8	-4,8
NL	2,8	1,8	0,1	-5,0	5,5	1,5	2,2	1,4	-1,6	-0,9	0,6	-1,4	-0,5	-0,4	-0,1	-0,7	0,3	0,4
UK	0,4	6,2	10,1	1,1	-5,0	1,5	-2,4	-9,2	4,9	1,2	-2,0	4,7	2,8	0,5	-0,3	0,4	-0,2	-6,1
ECU	2,9	5,9	2,2	-14,9	-5,5	-2,0	0,9	-0,7	-2,3	-3,7	0,4	-1,2	-0,8	-1,6	-1,0	-1,9	-0,3	-6,2
USA	-8,7	-3,3	-0,3	14,0	12,0	4,9	1,9	-1,9	2,8	3,9	1,2	0,8	0	2,2	1,0	2,1	-0,1	6,5
JAP	21,7	-7,1	-4,1	14,0	-4,3	-2,9	1,6	9,7	1,3	0,6	0,2	0,8	1,2	-0,7	0,5	-0,2	0,8	15,1

## Major economic policy measures — September 1983

### Community (EC)

None.

### Belgium (B)

22.9 An agreement has been concluded between the Government and the public service unions. The main points are:

- confirmation that public service pensions are to be regarded as deferred salaries;
- the ceiling for the indexing of public service pensions will be set at BFR 34 064 (current index);
- a system for the retrospective payment of wages and salaries will be introduced (with specific provisions for July 1984, the changeover month);
- bonuses will be continued, with the exception of those at an abnormally high level;
- guarantees have been given that in 1984 employment in the ministries and semi-State welfare agencies will be maintained at the 1 January 1983 level;
- no new specific measures relating to the wage and salary arrangements for public service staff will be taken in 1985;
- allowances may be made in the specific rationalization measures planned by local authorities, universities, the SNCB and the postal service for the effects of the measures taken for the public services generally.

### Denmark (DK)

9.9 Parliament adopted the following provisions:

- the proposed DKR 1 400 million reduction in State grants to local authorities will be applied next year;
- in 1984 the income tax allowance for pensioners will be increased from DKR 38 300 to DKR 41 400 for unmarried persons and from DKR 20 900 to DKR 22 600 per person for couples;
- the tax relief granted by local authorities on income tax is set at DKR 19 900 for 1984, as against DKR 18 700 for the current year;
- compensatory measures will be taken if, contrary to the Government's request, local authorities increase taxes.

### Federal Republic of Germany (D)

8.9 The Central Council of the Bundesbank raised the Lombard rate from 5% to 5.5%, although the discount rate remained at 4%.

### Greece (GR)

7.9 The statutes of the Bank of Greece were amended; it may now issue bond loans both in foreign countries and in Greece.

### France (F)

7.9 The amount of the government loan issued on 24 August was increased from FF 15 000 million to FF 25 000 million.

14.9 The central government budget for 1984 was submitted to the Government. Total expenditure has been set at FF 937 800 million: administrative expenditure, FF 333 000 million; expenditure on economic and social measures, FF 314 000 million; civil engineering works, FF 78 900 million; military expenditure, FF 142 100 million; interest on the public debt, FF 70 000 million. This budget brings into force the twelve priority implementation programmes (PPE) which form part of the IXth Plan (1984-88). The importance attached to the PPEs is given practical expression by the increase of some 16% in the 1984 appropriations, compared with an increase of 6.3% for the total expenditure of departments (as against 11.7% in 1983 and 27.7% in 1982). In 1984 FF 60 000 million will be allocated to the twelve priority programmes, which include industrial modernization (FF 3 200 million), the continued reform of the education system and training for young people (FF 16 600

million), research and innovation (FF 10 700 million), employment (FF 5 400 million) and modernization of health care (FF 5 100 million). The general budget deficit is limited to 3% of gross domestic product (FF 125 000 million). All this will be achieved, without sacrificing the continued cover of social requirements, by increasing taxes and special contributions, introducing a progressive surtax on those paying more than FF 20 000 in taxes in 1984, increasing duties on large inheritances and cutting a number of tax concessions (such as the reliefs allowed to certain professional categories).

### Ireland (IRL)

None.

### Italy (I)

19.9 The Government approved a number of urgent measures to limit the deficit in expenditure on health care and social welfare. Some LIT 1 950 000 million should be recovered through these measures, which involve expenditure cutbacks and additional revenue. They provide in particular for the extension to 1984 of the one-off contribution by the self-employed, the extension until 31 December 1985 of closure of the lists of farm workers entitled to certain concessions concerning payment of social security contributions, the gradual elimination of the State contribution to pensions below the guaranteed minimum wage for persons whose income from other sources is more than double the minimum guaranteed wage (approximately LIT 600 000 per month), withdrawal of the disablement pension from persons whose income from paid employment is three times the guaranteed pension (approximately LIT 900 000 per month), and keeping under constant review disabled persons having resumed work. Further measures concern expenditure on health care. Savings will be made by revising reimbursement rates and stepping up checks on prescriptions and certificates filled out by the sick themselves.

### Luxembourg (L)

None.

### Netherlands (NL)

9.9 The Nederlandsche Bank raised its rates by half a percentage point with effect from 9 September 1983. The new rates are 5% for discount, 5.5% for advances and 6% for promissory notes.

20.9 The draft central government budget for 1984 has been tabled. Expenditure is to go up by 2.6% to HFL 162 700 million and revenue by 1.3% to HFL 126 800 million. The net borrowing requirement will increase from 10.0% of net national income (HFL 33 400 million) in 1983 to 10.5% (HFL 35 900 million) in 1984. Despite this, the net general government cash deficit, including the off-budget housing measures, will fall from 12.4% of net national income in 1983 to 12.1% in 1984. To hold down the growth of expenditure, the Government proposes a package of measures to save a total of HFL 12 000 million (cash effect in 1984: HFL 10 600 million), including HFL 3 400 million in social security, HFL 1 200 million in public health and HFL 3 000 million in other expenditure by ministerial departments. The interest burden on the debt will rise by 21%. The overall increase in revenue is the combined outcome of tax reductions for firms amounting to some HFL 2 000 million (cash effect in 1984: HFL 1 300 million), notably a cut in corporation tax from 48% to 43%, and tax increases amounting to HFL 3 600 million (cash effect in 1984: HFL 3 000 million), comprising a 1 percentage point increase in the reduced and standard VAT rates. The general government burden of taxes and parafiscal changes is set to fall by almost 1% of net national income (52.6% as against 53.5% in 1983).

### United Kingdom (UK)

None.

## Price (excluding VAT) in Luxembourg

	ECU	BFR	IRL	UKL	USD	
'European Economy' (4 issues per year)	19.64	800	13.50	11.60	22.80	The annual subscription runs from 1 January to 31 December of each year.
<b>Supplements</b>						
Series A — 'Economic trends' (11 issues per year)	9.82	400	6.75	5.80	11.50	Payments to be made only to the agents in the countries listed on page 3 of the cover of European Economy.
Series B — 'Business survey results' (11 issues per year)	9.82	400	6.75	5.80	11.50	
Series C — 'Consumer survey results' (3 issues per year)	3.69	150	2.50	2.20	4.20	These are surface mail rates; for air subscription rates please apply to the agents.
All three supplements	23.32	950	16.00	13.80	27.00	
Combined subscription — 'European Economy' and supplements	42.97	1 750	29.40	25.50	50.00	



OFFICE FOR OFFICIAL PUBLICATIONS  
OF THE EUROPEAN COMMUNITIES

L - 2985 Luxembourg



CB-AS-83-010-EN-C